



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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May 22, 2008

To: Supervisor Yvonne B. Burke, Chair  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

## WASHINGTON, D.C. UPDATE

### Federal Fiscal Year (FFY) 2008 Supplemental Appropriations Bill (H.R. 2642)

Today, the Senate approved, 75 to 22, a domestic spending amendment to H.R. 2642, the FFY 2008 supplemental appropriations bill, that includes bill language from H.R. 5613 (Dingell, D-MI), which would impose a moratorium on the implementation of seven pending Medicaid regulations until April 1, 2009, including regulations which would limit Medicaid payments to public providers to the cost of providing services to Medicaid recipients and eliminate Medicaid reimbursement of Graduate Medical Education (GME) costs. The amendment also includes:

- Language blocking implementation of a State Children's Health Insurance Program (SCHIP) policy guidance, issued by the Centers for Medicare and Medicaid Services (CMS) on August 17, 2007, which, otherwise, would restrict SCHIP eligibility and impose new cost-sharing requirements; and
- \$490 million in additional Byrne Justice Assistance Grant (JAG) funding. Without this increase, JAG is funded at only \$170 million in FFY 2008, which is less than one-third of its FFY 2007 funding level of \$520 million.

The Senate also passed, 70 to 26, an amendment to fund military operations in Iraq and Afghanistan. As reported previously to your Board, the House-passed supplemental appropriations bill includes moratorium language from H.R. 5613, but neither the SCHIP language, increased JAG funding, nor war funding were included in the House

legislation. Congress will begin reconciling the differences between the House and Senate versions after it reconvenes from its Memorial Day recess in June. The supplemental appropriations bill is seen as a "must-sign" bill, which must be enacted by mid-June when available overseas war funding is projected to run out.

The current moratorium on the implementation on Medicaid public provider payment limit and GME regulations expires on May 25, 2008. **However, on May 21, 2008, Health and Human Services Secretary Leavitt issued a press statement, indicating that the Administration will voluntarily refrain from making these rules effective until August 1, 2008.** Moreover, the moratorium language in H.R. 2642 would take effect retroactively so the County would not suffer a loss of Medicaid revenue if there is a delay in enacting the extension.

### **Food Stamp Reauthorization**

On May 21, 2008, the President vetoed H.R. 2419, the 2008 Farm Bill, which includes language to reauthorize the Food Stamp Program. Both houses subsequently overrode the veto -- the House on a 316 to 108 vote and the Senate on a 82 to 13 vote. However, it also has been discovered that the enrolled bill, which was sent to the President, erroneously was missing the title with its trade provisions. On May 22, 2008, the House, therefore, passed a new version of the Farm Bill (H.R. 6124), which includes all of its titles. The Senate did not pass a corrected version before recessing for Memorial Day, but the entire Farm Bill ultimately will be enacted in June after Congress reconvenes.

We will continue to keep you advised.

WTF:GK  
MAL:MT:hg

c: All Department Heads  
Legislative Strategist